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GREECE

Greek political parties have stepped up their activities in anticipation of the parliamentary elections, which were announced yesterday for November 17, and the referendum on the future of the monarchy which is to be held within 45 days of the election.

The political activity has touched off grumbling [redacted] among royalists and military officers, who fear that their own positions will be endangered if Prime Minister Karamanlis wins a convincing victory at the polls.

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Military officers appear concerned, primarily over recent disciplinary actions Karamanlis has taken against the army and possible further moves he might make. They are also critical of the Prime Minister because he has not prevented frequent attacks by the press on the army and on individual officers.

[redacted]

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A military move against Karamanlis at this time would probably be unsuccessful, largely because the army would not be united behind it. Rightists, including army officers, also realize that they stand to gain from elections held before the left has been able to organize an effective opposition.

The feuding Communists have managed to pull together a limited program of electoral cooperation. The Moscow-backed Greek Communist Party and the United Democratic Left have agreed to coordinate activity for the election only; the dissident Communist Party has also worked out a loose arrangement with the United Democratic Left.

The US embassy reports that Andreas Papandreou's Pan-Hellenic Socialist Movement has been getting off to a slow start. He is reportedly not getting the backing of the liberals of the Center Union, and is drawing support only from urban youth and students.

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Two new political groups have emerged. A group of prominent political personalities, all relatively young and nearly all associated with resistance to the former junta, has announced the formation of a left-of-center movement called "new political forces." This movement will probably retain a separate identity but remain within the Center Union, with which its founders have been aligned in the past.

Former minister of defense Petros Garoufalias [redacted] has announced that he and nine other former deputies will form their own political party.

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Prime Minister Karamanlis is apparently having problems getting his New Democracy Party off the ground. He is trying to attract new personalities, particularly liberals and uncommitted youth. To do this, he will have to drop at least 50 former key party supporters of his old National Radical Union from his candidates list.

Although Karamanlis' political strategy appears carefully designed to extend his political base, deputies from his old political party are disturbed that his party's preparations for elections are lagging.

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PORTUGAL

Newly installed President Costa Gomes, in a conversation Tuesday with the US ambassador, insisted that the Communist Party does not have great influence in Portugal, and predicted that the departure of discordant elements from the government will permit greater stability.

Costa Gomes told the ambassador that the leftward bias of the news media had created the impression that the Communists were more influential than actually was the case. He said one of the first priorities of his administration would be to correct this situation. The ambassador noted, however, that Costa Gomes may have been less than frank in describing the degree of Communist influence in the country.

Costa Gomes also emphasized his government's plans to adhere to the program of the Armed Forces Movement and reaffirmed Portugal's fidelity to its international and NATO commitments.

General Neto, a Spínola loyalist who lost his positions on the junta and as air force chief of staff in the weekend shuffle, painted a much darker future for Portugal under Costa Gomes. Neto told the US defense attaché that he expects a backlash from the armed forces when they realize that the country is being led toward the far left.

Neto said some elements in the military are already disgruntled over a program that has raised flight pay for pilots but has not provided a bonus for other elitist fighting groups, such as the paratroops. This controversy, in his opinion, could be used by centrist elements to create a pro-Spínola movement against Costa Gomes and the Armed Forces Movement.

A struggle also is shaping up over replacing the four junta members and the defense and communication ministers. According to Neto, Costa Gomes wants to do away with the junta. He claims that it has served its

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purpose and that the Council of State and the Armed Forces Movement Coordinating Committee will be able to provide the necessary guidance to the provisional government. The Armed Forces Movement, however, insists on retaining the junta and filling the vacancies with their own people. Resolution of this matter should provide the first indication of who is in charge in Portugal.

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ANGOLA

The resignation this week of Portuguese president Spinola was met with foreboding by Angola's sizable white population, which recognizes that Lisbon may speed up its efforts to decolonize the territory. The whites may feel compelled to take some preemptive action to head off a transfer of power to black insurgents.

With Spinola's departure, Lisbon could return to a policy of negotiating a direct transfer of power to insurgent leaders. Given the strong rivalry among Angola's three insurgent organizations, however, such a policy would only lead to protracted political confusion, particularly among Angola's whites, estimated by the US consul general to number about 500,000 out of a population of 6 million.

There is no shortage of white extremists who would like to forestall an insurgent take-over. Many whites, believing that the insurgent organizations are racist, would fight against insurgent control. The US consul general has been able to identify three white-led groups of indeterminate strength that are attempting to organize full-fledged movements with a view toward planning a coup.

These groups all claim to have the support of whites, blacks from southern Angola, and insurgents from the Union for the Total Independence of Angola, the smallest of the three rebel groups. They maintain they have the allegiance of elements within the army, militia, and police, as well as of the elite black Special Forces troops and former Portuguese secret police agents.

The claims are probably exaggerated. These elements are too widely dispersed geographically and too disorganized internally to give much support to a coup.

The success of any coup depends on the support--or the neutrality--of the 60,000 troops stationed throughout the territory. Nearly half of these troops

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are from the metropole and generally sympathize with the local white population. They would be hesitant to act against local whites in a military showdown. Locally recruited troops, the bulk of whom are black, may be sympathetic to a black government, even if dominated by the insurgents, but might be convinced to support a white-led coup if there was significant black participation and if they saw a bleak future for themselves under insurgent rule.

A white-led coup would not necessarily lead to a white-minority regime. Many whites in Angola are reconciled to the eventuality of a black government and would support it, provided they were assured their own interests as a minority were respected.

As for the insurgents themselves, their own political success is by no means guaranteed. They are incapacitated by internal feuds and their unwillingness to act in concert. The president of the Popular Movement for the Liberation of Angola has welcomed Spinoza's ouster and has announced that his organization will not resume guerrilla operations in the territory. The Popular Movement is so divided that the organization could not engage in significant military action at this time.

Military pride of place in Angola has passed to the National Front for the Liberation of Angola, which for the past few years played a secondary role to the Popular Movement.

the National Front is renewing its activities in northern Angola after a lull of several years. Portuguese military officials estimate that the Front has 6,000 troops in Angola, but this figure seems high.

The Portuguese army is under orders not to engage in offensive operations, thereby giving the guerrillas a free hand. Renewed insurgent activity might prompt noninsurgent leaders to attempt a coup before the Front attained the strength to push Lisbon into negotiating a direct transfer of power.

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ISRAEL-JORDAN

Terrorist activity along Israel's borders has increased over the past two weeks. Last Saturday, an Israeli officer and a fedayeen guerrilla died in a clash on the Lebanese border. On Tuesday, Israeli border patrols killed two infiltrators on the Lebanese border and another near the southern frontier with Jordan.

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[REDACTED] The Israelis have intensified patrols, conducted shallow raids into Lebanon, and continued shelling of suspected fedayeen locations inside the Lebanese border.

Tuesday's incident on the Jordanian border was the fourth in a month, after several years of relative quiet. The Jordanians have increased their efforts to prevent fedayeen infiltrations into Israel.

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[REDACTED] South of the Dead Sea, the Jordanians have increased the size of the border patrol force from one company to two, and have begun helicopter patrols of the entire area.

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The Israelis have publicly maintained a low-key attitude toward these violations on the Jordanian border. Israeli Information Minister Yariv, in a radio interview on September 29, said the Jordanians are attempting to suppress terrorist activity and acknowledged there was no complicity by Amman in the fedayeen penetrations.

The US embassy in Tel Aviv reports, however, that despite their public posture, the Israelis are irritated over the incidents on the Jordanian border and believe

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that Amman could do more to prevent them. In a possible expression of Tel Aviv's concern, Israeli aircraft flew over Amman yesterday, creating sonic booms. Harsher retaliatory reaction by the Israelis is unlikely unless the fedayeen succeed in a spectacular incident involving a number of Israeli deaths. In that case, public pressure may force Tel Aviv to retaliate more forcefully.

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ITALY - UK - WEST GERMANY

Engine problems continue to trouble the European Multi-Role Combat Aircraft. West German air force officers associated with the MRCA program recently told the US defense attaché in Bonn that the engines are delivering only 75 percent of their expected thrust. They note that the airframe has been exceptionally stable in flight and should perform well as a low-level, high-speed, weapons-delivery platform. Nevertheless, one of the officers remarked that unless the engine problems can be resolved, the aircraft will be a "dog."

The federal cabinet has authorized an additional \$46 million for further preproduction development costs--Bonn's 42.5-percent share for the next phase of development spending. The Bundestag finance committee is expected to confirm this decision. A government spokesman emphasized, however, that the project still had not reached a point of no return. The German air force estimates that the basic cost for each aircraft has risen to about \$8 million but that the price per plane will reach nearly \$14 million when fully equipped for combat.

The UK is expected to match West Germany's \$46 million for the next phase of development costs. The Italians are supposed to provide about \$16 million for their share, but reports suggest that Rome is considering pulling out of the project completely.

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CHINA

China's imports from the US will probably reach only \$800 million this year, down from earlier projections of \$1.1 billion because of an unexpected decline in the amount of agricultural products to be delivered during the fourth quarter.

Recent rescheduling and cancellation of contracts caused the drop. Three contracts covering delivery in 1974 of about 1 million tons of wheat have been deferred until 1975. A large contract for US soybeans has been canceled, possibly because contamination was found in earlier shipments.

Chinese imports from the US valued at \$709 million through August surpassed the \$689 million total for the same period in 1973. Exports to the US are expected to reach \$100 million, up from \$64 million last year.

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CAMBODIA

Tensions in Phnom Penh have eased somewhat as government employees and military personnel have received pay increases provided by the economic reform package introduced last month.

Relief for the government may be short-lived. Pay envelopes this week were particularly fat because they contained lump sum salary adjustments retroactive to September 1. By mid-month, however, consumers will face the real impact of the sharply increased prices allowed by the reforms.

The government has attempted to forestall any backlash from its dissolution of the teachers' association last week by announcing the formation of a new teachers' organization under government sponsorship. Leftist teachers are continuing their antigovernment activities, however, and have issued statements scoring the police raid on their headquarters and the subsequent arrest of two teachers. Student activists are keeping uncharacteristically quiet. They presumably are still planning anti-government demonstrations for next week.

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